

AGENDA FOR THE CONFERENCE OF REPRESENTATIVES OF PROVINCIAL GOVERNMENTS AND OF INDIAN STATES HELD ON THE 11th MARCH 1946 TO CONSIDER MATTERS CONNECTED WITH THE CENSUS OF MANUFACTURING INDUSTRIES RULES, 1945.

A Administration of the Census of Manufacturing Industries Rules, 1945, which at present cover 29 industries.

I RETURN ASKED FOR ON A STATUTORY BASIS UNDER THE C M I RULES, 1945

1 *Factories to be included under each industry listed in Schedule I of C M I Rules, 1945*

- (a) Classification of factories by industries
- (b) Factories whose products fall under more than one industry listed in Schedule I —(Orissa and Bihar)
- (c) Factories which shift from industry to industry —(Madras)
- (d) Factories covered by form No C M I (29)—General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy —(Madras and others)
- (e) Repair workshops and factories engaged exclusively in repair work —(Madras and Delhi)
- (f) Crown factories and factories owned by semi-Government bodies —(Madras and U P)

2 *Service of notice under Rule 3*

- (a) Notice to be served on occupier by name or by designation — (Bengal)
- (b) Refusal by an occupier of a notice served under Rule 3 — (Bihar)

3 *Difficulties noticed in connection with filling up of the forms of return*

- (a) Factories which close their accounts on 31st December but whose final accounts are not ready by the end of February following, when returns are required to be furnished —(Sind)
- (b) Factories maintaining their accounts according to the Indian or Mahajani system —(C P and Berar)
- (c) Factories which maintain only one 'bought ledger' and one 'sold ledger' covering all articles purchased and sold —(C P & Berar)
- (d) More than one industry of allied nature being run under the same roof—separate accounts for each industry not available — (C P & Berar).
- (e) Error involved in cases where factories which close their accounts on a date other than 31st December make entries in the returns according to the book value of their stocks and not by taking stock afresh —(Bengal)
- (f) In Part (F) of Form No C M I (29) relating to "General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy)" an item 'other products' should be added to bring it in line with other forms —(Bengal).

(g) Many occupiers and their employees are not English knowing persons, and they may not understand the technical entries in the returns —(C P & Berar)

(h) Should the term "manufacturing process" in item 5 (1) of (General Instructions' for filling up the forms be interpreted to mean a process connected directly with the process of production of the articles manufactured by the factory, or should it also include work connected with repairing of boilers, engines and other machinery, etc —(Orissa)

4 *Assistance to factories in filling up returns accurately and completely.*

II RETURNS RELATING TO 1944 AND 1945 (CORRESPONDING YEARS FOR SUGAR INDUSTRY) ASKED FOR ON A VOLUNTARY BASIS

1 Extension of the last date for the submission of these returns — (Punjab)

2 Factories in existence during 1944 and 1945 (corresponding years for the sugar industry) which may have either closed down at the end of 1945 or may have shifted to any other industry.

3 In concerns where the accounting year is closed on dates other than 31st December all figures in all Parts of the form may be allowed to be given as on the date on which the accounts were closed. This concession particularly to apply in cases of returns for previous years —(Orissa)

III ORGANISATION AND STAFF IN THE PROVINCES FOR DEALING WITH CENSUS OF MANUFACTURING INDUSTRIES RULES 1945 —(Bombay)

B Extension of the Census of Manufacturing Industries Rules, 1945, to cover all industries for the Census of 1947.

C Other Miscellaneous points.

1 System of code numbers to be adopted by the Provinces — (Bengal)

2 Inclusion of all workers employed through contractors in Part (C) of the forms prescribed under the C M I Rules

3 Powers for the Statistics Authorities to call for supplementary statements —(Bengal)

4 Making available the data for any industry from one Province to another Province and carrying out by the Central Government of any analysis required by the Provinces —(Bengal)

5 Discussion of "end tables", and method of calculation of physical volume of production, value of production and out-put per man-day —(Bengal)

6 Printing for sale of the Industrial Statistics Act, 1942, and the C M I Rules, 1945 —(Orissa)

7 Direct correspondence between the Director of Industrial Statistics, Department of Industries and Supplies, Government of India and the Statistics Authority in each Province

8 Permanent liaison should be established between the Centre and the Provinces and conferences should take place at regular intervals, say once in every quarter —(Bengal)

9 Necessity for close liaison between the Statistics Authority and the Factories Inspectorate in each Province —(Bombay)

D Position in the Indian States

E Any other points which any representative at the Conference may wish to raise.

NOTES ON THE AGENDA FOR THE CONFERENCE OF REPRESENTATIVES OF PROVINCIAL GOVERNMENTS AND OF INDIAN STATES HELD ON THE 11th MARCH 1946 TO CONSIDER MATTERS CONNECTED WITH THE CENSUS OF MANUFACTURING INDUSTRIES RULES, 1945.

This conference has been called to discuss difficulties which the Provinces may be experiencing in administering the Census of Manufacturing Industries Rules, 1945, or which they anticipate experiencing in future in conducting a census of manufacturing industries in India. It is also the purpose of this conference to discuss with representatives of States any difficulties which they may be experiencing in taking parallel action in their territories. The agenda is divided into five parts —

- A Administration of the Census of Manufacturing Industries Rules, 1945, which at present cover 29 industries,
- B Extension of the Census of Manufacturing Industries Rules, 1945, to cover all industries for the census of 1947,
- C Other miscellaneous points,
- D Position in the Indian States, and
- E Any other points which any representative at the Conference may wish to raise

A Administration of the Census of Manufacturing Industries Rules, 1945, which at present cover 29 industries.

I RETURNS ASKED FOR ON A STATUTORY BASIS UNDER THE C.M.I. RULES

The present position under the Census of Manufacturing Industries Rules, 1945, which cover 29 industries, is summarised in the attached Statement No I. It will be seen that the Census of Manufacturing Industries Rules, 1945, have been notified in all Provinces, and notices calling for returns for 1946 have also been issued in all Provinces. Letters asking for voluntary returns for 1944 and 1945 have either been issued or are being issued. Action for the purpose of ensuring that accurate returns are received from all factories has not yet been taken in some Provinces. In others, the arrangements made for the purpose vary considerably. These are, however, preliminary steps of a formal nature. For the purpose of conducting a successful census of manufacturing industries, it is essential that the right form is served on and a complete and accurately filled up return is obtained from each factory. The Government of India attach the greatest importance to these essential requirements of a successful census and are of the opinion that each Provincial Statistics Authority should concentrate his efforts to ensure that these requirements are actually fulfilled. In this connection, the following points, which have either been raised by the Provinces or have otherwise come to the notice of the I & S Department, require careful consideration —

1 Factories to be included under each industry listed in Schedule I of C.M.I. Rules, 1945

In order to be able to serve the right form on each factory and to ensure that all factories engaged in any industry listed in Schedule I are covered, it is necessary that each Province should have a complete and accurate list of factories classified by industries. In this respect it appears that Provinces are experiencing difficulties and some of them probably do not even now have a complete and accurate list of factories classified by industries. The I & S Department can apart from the specific references made by certain Statistics

Authorities only surmise the position from information of the kind given in Statement No II. The cases mentioned in this Statement are only illustrative of the point and should not be taken to mean that these discrepancies are confined either to the industries or to the Provinces actually named there. From communications received from some Provinces it appears that the difficulty of classification was not actually taken up at the time of service of the notice, but only while preparing the list required to be furnished to the I & S Department under direction No 2 (6).

(a) *Classification of factories by industries*

In this connection it is necessary to explain that under the scheme of the Census as provided by the Census of Manufacturing Industries Rules only one form is to be served on each factory. Therefore, it is essential that each factory should be classified under only one of the industries listed in Schedule I. The forms provide that any items of products or of materials used which are not specified in the forms can be entered by the occupiers under the head "Others". Ordinarily classification of factories from the description of the industry given in Schedule I should be possible. In doubtful cases an examination of the principle products of the factory and their comparison with the products listed under part (F) of the forms should be of assistance. Rule 5 has been designed to provide a safeguard in this respect. It will be noticed that in this rule the occupier is required to communicate to the Statistics Authority the name of each of its principle products. If even after an examination on these lines, the Statistics Authority is not in a position to classify the factory under an industry listed in Schedule I, the matter should be referred to the Director of Industrial Statistics, Industries and Supplies Department, New Delhi, with all relevant information and particularly with a list of the principal products of the factory concerned.

(b) *Factories whose products fall under more than one industry listed in Schedule I — (Orissa & Bihar)*

It has been suggested that such factories should be asked to maintain all particulars required in the return separately in respect of their activities connected with each industry. Bihar also appear to think that such factories should be required to fill in separate forms relating to the industries concerned. As explained in paragraph A I 1 (a) above, the present scheme of the census is that only one form is to be served on each factory. If a factory produces articles falling under more than one industry, then it should be classified on the basis of its principal products and the form appropriate to the industry under which the principal products fall served on such factory. It would be impracticable for a factory to allocate all the particulars that are required in the return as between different products. For instance, fuel consumed or the labour of the persons engaged in power generation in the factory would be impossible of allocation as between different products.

(c) *Factories which shift from industry to industry — (Madras)*

(i) Madras have reported that factories ordinarily engaged in rice-milling industry in that Province have now been compelled to take to the production of vegetable oils or to some other industry on account of non-availability of paddy for milling. Madras suggest that in such cases it would not be appropriate to serve on the

factory the form relating to the industry in which they were hitherto engaged. This view is correct and the form appropriate to the industry in which the factory is actually engaged in the period covered by the form should be served on each factory. However, the point gives rise to certain difficulties about maintenance of accurate list of factories classified by industries.

- (ii) It is for consideration whether shifting of the kind mentioned by Madras is of frequent occurrence and what steps can be taken by the Statistics Authority to overcome the difficulties arising out of this shifting in maintaining an accurate list of factories classified by industries.
- (d) *Factories covered by form No C M I (29)—General Engineering & Electrical Engineering (excluding generation and transformation of electrical energy) —(Madras and others)*
 - (i) Special difficulty is experienced in classifying factories for the purpose of service of this form, Engineering industry is a difficult industry to handle and in all countries difficulties have been experienced. In India according to the industry itself these difficulties are even more pronounced specially because it is stated that the products of the majority of engineering factories are generally so varied that the factories cannot be classified under specific engineering industries. For the present the following engineering industries are separately classified in Schedule I, and a separate form for each one of them is prescribed. Any factory whose principle products belong to these industries should not be served with form No C M I (29) and should not be classified as "General Engineering & Electrical Engineering Industry" —
 - (1) Bicycles.—
 - (2) Sewing Machines
 - (3) Producer Gas Plants
 - (4) Electric Lamps
 - (5) Electric Fans

In addition to these industries, it is proposed that the following Engineering industries, which exist in fairly distinct units, should be treated as separate industries for the purpose of prescription of forms when extension of the census takes place. It would, therefore be advisable not to treat any factory engaged in these industries as falling under "General Engineering and Electrical Engineering" and not to serve form No C M I (29) on it —

- (1) Railway Workshops and repair shops and locomotive sheds
- (2) Railway wagon manufacturing
- (3) Ship building, ship repair and dockyard factories.
- (4) Engineering Ordnance Factories
- (5) Motor Vehicles—Servicing, repairs, body-building, assembling, etc
- (6) Aircraft repairs and ground establishments
- (7) Generation and transformation of electrical energy

On all the other engineering factories (not covered by individual forms) form No C M I (29) should be served and they should be treated as falling under the heading "General Engineering & Electrical Engineering".

- (ii) It is for consideration whether this approach would solve the difficulty experienced by the Statistics Authorities in classification of factories under "General Engineering & Electrical Engineering (excluding generation and transformation of electrical energy)" — C M I (29) or whether any further action in this connection is necessary.
- (e) *Repair Workshops and factories engaged exclusively in repair work — (Madras and Delhi)*
- (i) It has been stated that certain factories have represented that they do not manufacture any article for sale but are engaged in repair work. For the purpose of the Census of Manufacturing Industries Rules it is not necessary that a factory must be engaged in the manufacture of articles for sale. The census should cover any factory covered by clause 2(j) of the Factories Act, 1943, provided it is engaged in any of the industries listed in Schedule I of the Census of Manufacturing Industries Rules. Therefore, repair workshops are covered by these rules and notices should be served on them. As a matter of fact in Table I of Part (F) of form No C M I (29)—"General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy)" a definite provision is made for entering the value of the repair work done.
- (ii) For the purpose of classification of repair workshops, the remarks in paragraph (d) above would apply. That is to say, if a repair workshop cannot be considered to be a factory falling under any of the industries which in that paragraph are suggested should be excluded from the scope of the General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy) industry—C M I (29), then it should be considered to fall within this industry and form No C M I (29) should be served on it.
- (f) *Crown factories and factories owned by semi-Government Bodies — (Madras & U P)*
- (i) The question has been raised by Madras and U P whether Crown factories are covered by Census of Manufacturing Industries Rules. Industries and Supplies Department are advised that legally the Industrial Statistics Act, 1942, and Census of Manufacturing Industries Rules, 1945, cover Crown factories. Moreover, from the point of view of completeness of the Census it is desirable that these factories should be included. Therefore, the Statistics Authorities should include these factories in their list and should serve notices on them and collect information from them exactly in the same manner as from privately owned factories. In order, however, to reinforce the legal powers by executive instructions the Government of India have written to the Provincial Governments by their letter No 4-SG(4)/46, dated 26th February 1946, (copy attached), asking Provincial Governments that they should issue instructions that all factories owned by them should comply with request of the Statistics Authority. Departments of the Government of India concerned have also been addressed in the same sense.
- (ii) These remarks also apply to all factories owned by semi-Government bodies like municipalities, etc.

2. *Service of notice under Rule 3*

(a) *Notice to be served on occupier by name or by designation —(Bengal)*

- (i) Neither Rule 3 nor Rule 6 lay down specifically that the notice is to be served on the occupier by name. Certain Provincial Statistics Authorities have addressed the notices to occupiers by name while others have addressed notices to occupiers by designation, that is, as 'occupiers'. Statistics Authority, Bengal, states that there were difficulties in serving notices on occupiers by name—firstly, occupiers of small factories are generally shy of receiving registered letters, secondly, in the case of small factories they change frequently, and thirdly, it is difficult to establish in such cases who the actual occupier is. Service of notice under the Factories Act, 1934, to 'occupiers' by designation has been, according to the information of the Statistics Authority, Bengal, held in court to be good service. Accordingly, in Bengal notices were served addressed to 'occupier' by designation. In Sind notices appear to have been served on occupiers by name though it appears that complete addresses of all of them were not available at the time of service of notice. It is not clear how in this case it was ensured that the notices reached the right person. Definite information as to the practice followed in this respect by other Provinces is not available.

- (ii) It is for consideration what practice in this respect should be followed. In any case, it appears desirable that a complete and up to date list of the names and addresses of occupiers of all factories should be maintained by each Statistics Authority.

(b) *Refusal by an occupier of a notice served under Rule 3 —(Bihar)*

- (i) Bihar has raised the question as to what procedure should be followed by the Statistics Authority when a notice is received back with the remark 'refused' and has suggested that the term 'service of notice' used in the Rules should be defined. So far as service of notice is concerned, it appears that the legal position is defined by clause 27 of the General Clauses Act, 1897. This would appear to suggest that the despatch of notice in accordance with the provisions of Rule 6 would be good service. However, the Legislative Department have been consulted and their views on the legal point involved will be placed before the conference.
- (ii) From the point of view of the census, however, it is not merely the legal aspect of the question which is involved. For the completeness of the census it is necessary that the notice should be communicated to each occupier.
- (iii) It is for discussion what action should the Statistics Authority take when faced with refusal to accept the registered letter containing the notice. At present under Rule 6 it is not provided that on the registered cover containing the notice should be indicated the contents of the cover.

Difficulties noticed in connection with filling up of the forms of return

- (a) *Factories which close their accounts on 31st December but whose final accounts are not ready by the end of February following, when returns are required to be furnished —(Sind).*
- (i) Only one case of this kind has been brought to the notice of the Industries and Supplies Department so far. In that particular case, it was found that accounts are ready for submission to the

shareholders in March, and the Statistics Authority can under the proviso to Rule 4 (1) allow one month's extension of time, it was not anticipated that this particular case would offer any difficulties. There may, however, be other cases in which audited accounts of a factory closing accounts as on 31st December may not be ready before the end of March. In such cases, these factories, for the purpose of submission of returns, would not, in any case, be worse off than factories which do not close their accounts on the 31st December. The difficulty will be chiefly confined to the submission of the balance-sheet, profit and loss account, etc., as on the 31st December.

- (11) It is for consideration what line of action should be adopted in such cases, and whether such cases are likely to be numerous. Generally speaking, a factory or a firm which closes its accounts as on 31st December should have even its audited accounts ready by the end of March.
- (b) *Factories maintaining their accounts according to the Indian or Mahajani system —(C. P. & Berar)*
 - (i) C P & Berar state that certain factories, owned by partnership firms or proprietary concerns, maintain their accounts on the Indian or Mahajani system. In these cases it is not possible for them to furnish all the details given in the return. It is not clear why information asked for in the forms of return should not be available with a factory which maintains its accounts on the Mahajani system. According to certain enquiries made by the Department of Industries and Supplies, the maintenance of accounts on the Mahajani system by itself should not be a difficulty in filling up the return, since information under the broad headings required is maintained under that system also.
 - (ii) It is for consideration what difficulties will arise in the case of factories maintaining accounts on the Indian or Mahajani system and how these difficulties can be overcome.
- (c) *Factories which maintain only one 'bought ledger' and one 'sold ledger' covering all articles purchased and sold —(C P. & Berar)*
 - (i) C P & Berar have also pointed out that certain factories maintain only one 'bought ledger' in which all articles purchased are entered together and another 'sold ledger' in which all articles sold are entered together. They are, therefore, not in a position to furnish information relating to quantities and values of individual items purchased and sold as required in Parts (D), (E) and (F) of the form. It is suggested that these factories should be asked to maintain certain registers recording the required details and that the form of these registers, which will differ from industry to industry, should be prescribed in the Rules. It is not clear whether the difficulty pointed out by C P & Berar would apply to an industry as a whole as stated by them. It is more likely to arise in the case of certain factories in any industry. The difficulty really arises from failure to maintain proper accounts. The extent to which accounts are not properly maintained would differ from factory to factory. Prescription under the Rules of standard forms for maintenance of detailed information appears impracticable. The more appropriate method would be that the Statistics Authority should, after examination of the books of the factory, advise the occupier concerned as to what particular items of information he should maintain separately.

(ii) It is for consideration whether cases of this kind are likely to be numerous and what action should be taken to secure accurate returns from them.

(d) *More than one industry of allied nature being run under the same roof—Separate accounts for each industry not available—(C P. & Berar)*

It is not clear whether the point made by C P & Berar is that the management of more than one factory is under the same occupier who does not keep separate accounts for each factory, or whether in the same factory, products belonging to different industries are produced and for these different products separate accounts are not maintained. The latter case should offer no difficulty, because as pointed out under item A I 1 (a) above any one factory, no matter whether it produces articles falling under one industry or under many industries, has to be classified under one industry on the basis of its principal products and is required to furnish only one return. In the former case, it would be of interest to know for which particular items, accounts are not separately maintained for each factory. For instance, it appears unlikely that joint accounts relating to expenditure incurred on labour in more than one factory would be kept, or that joint account of sale proceeds of different types of articles produced in two factories would be maintained.

(e) *Error involved in cases where factories which close their accounts on a date other than 31st December, make entries in the returns according to the book value of their stocks and not by taking stock afresh—(Bengal)*

Bengal states that factories in such cases will not take stock afresh on the 31st December but will invariably supply book value of stock as on that date. The book value will not cover stocks already issued and lying in the various Departments, which will be a source of error. They have suggested that powers should be given under the Rules to call for supplementary statements relating to stocks as on the date on which the accounts were last closed. It is not clear to which statement relating to stocks reference is made by Bengal, because except in part (B) a direct figure relating to stocks is not required to be stated. In Part (B) option is given to state the figures either as on the 31st December or as on the date on which the accounts of the factory were last closed. In Parts (D), (E) and (F) stocks are involved by implication under certain circumstances but in such cases it is stated that stocks should be taken at book value. The point may be clarified by the representative of Bengal before it is further considered.

In part (F) of Form No C M I (29) relating to "General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy)" an item 'other products' should be added to bring it in line with other forms—(Bengal).

will be noticed that Part (F) of this form is designed on a pattern different from Part (E) of other forms. It contains two tables instead of one table which normally occurs in this Part. The reason for this difference is deliberate. It was very strongly represented by the Engineering Industry that the

products of general engineering and electrical engineering firms under Indian conditions are so varied that it is impossible to enumerate all the principal products. Table I was, therefore, confined only to value of products and repair work covering the entire production of the factory. In table II were specified only some of the items which were considered important from the point of view of industrial conditions in India, and factories were required to state both the quantity and ex-factory net selling value of these specified articles. As the heading of Table II indicates it is not intended to cover all products. It is, however, for consideration whether the suggestion made by Bengal should be accepted. In this connection remarks under item A 1 1. (d) may also be seen.

(g) *Many occupiers and their employees are not English knowing persons, and they may [not understand the technical entries in the returns —(C. P. & Berar)*

(i) Under 'Explanation' to Direction 3 (1) of Directions No. C M I R-I, dated the 10th November 1945, issued to Provincial Governments, it is stated that if the occupier of a factory does not know English or is an illiterate person, an official attached to the office of the Statistics Authority may fill up the return on his behalf if required to do so by the occupier, but the occupier must either himself sign the declaration in the form of return or put his thumb impression to it which should be duly witnessed. The point raised by C. P. & Berar emphasises the necessity of personal contact between officials of the office of the Statistics Authority and such factories.

(ii) It is for consideration what further special steps can be taken by the Statistics Authority in such cases.

(h) *Should the term 'manufacturing process' in item 5 (1) of "General Instructions" for filling up the forms be interpreted to mean a process connected directly with the process of production of the article manufactured by the factory, or should it also include work connected with repairing of boilers, engines and other machinery, etc — (Orissa).*

The definition of a factory in the Industrial Statistics Act, 1942, and the Census of Manufacturing Industries Rules, 1945, is the same as in the Factories Act, 1934. Therefore, it would be desirable that the term 'manufacturing process' in the context raised by Orissa should also be interpreted in the same sense as in clause (g) of Section 2 of the Factories Act, 1934.

4. *Assistance to factories in filling up returns accurately and completely*

From the last column of Statement No. I will be seen the lines on which some of the Provinces contemplate rendering assistance to factories for this purpose. In this connection, the following points in addition to any others, which the Provinces may wish to raise, may be considered —

(i) In order to ensure that the occupier of each factory (a) fully grasps the implication of all the particulars required in the return, and (b) takes steps to maintain information in a form which would enable him to fill the return, it is necessary that close contact between the office of the Statistics Authority and the occupier should be maintained. Two important considerations to be kept in mind

- in this connection are (1) that the visiting official should be suitably qualified for this purpose and (2) that he should deal with the occupiers tactfully and should not make them feel that he is too officious. The occupier should be made to feel that the visits are in their own interest.
- (ii) It would be of interest to discuss what steps the Provinces propose to take for this purpose and what other action they propose to take in order to establish close liaison between the Statistics Authority and the occupiers.

II. RETURNS RELATING TO 1944 AND 1945 (CORRESPONDING YEARS FOR STAGAR INDUSTRY) ASKED FOR ON A VOLUNTARY BASIS.

Since it is as desirable to obtain returns for 1944 and 1945 as for 1946, all action which is taken or which may be taken *vis-à-vis* *industries* in connection with 1944 and 1945 returns, and every effort should be made to secure accurate and complete returns from all factories which were engaged in any of the 29 industries in these years. The following specific points which apply only to 1944 and 1945 returns have, however, been raised —

1. Extension of the last date for the submission of these returns — (Punjab). Under the present instructions these returns are to be submitted by the end of March. However, it was not possible to issue letters asking for these returns as early as was originally proposed, and it will be seen from Statement No. I that in certain cases letters were still being issued in February. In view of this and in view of the fact that the contact between the Statistics Authority and industrial occupiers has not yet been fully established, it appears desirable that Punjab's suggestion to the effect that the time for the submission of returns be extended by two months, that is, to the end of May, should be accepted.

2. Factories in existence during 1944 and 1945 (corresponding years for the sugar industry) which may have either closed down at the end of 1945 or may have shifted to any other industry. It appears that letters asking for voluntary returns for 1944 and 1945 have been issued to the occupiers of the same factories to whom notices under the Census of Manufacturing Industries Rules, 1945, have been issued asking for returns for 1946. This procedure is all right so far as it goes but may involve two sources of error. There may have been factories engaged in 1944 and 1945 in any of the 29 industries which have now closed down, or which have now shifted to an industry not included in Schedule I of the Census of Manufacturing Industries Rules, 1945. If the shifting has taken place from one industry to another industry, both being mentioned in Schedule I of the Census of Manufacturing Industries Rules, 1945, then the procedure prescribed in paragraph 5 of the draft letter sent to the Provinces in this connection should be sufficient. It is for consideration whether efforts should now be made to rectify the above-mentioned two sources of error or whether the present position should be allowed to continue.

In certain instances, according to the draft on dates other than 31st December and figures in all Parts of the form may be allowed to be given as on the date on which the returns were closed. This correction particularly to apply in cases of returns for previous years — (Orissa).

Orissa states that on the analogy of instruction (a) of Part (B) of the form of return figures in all other Parts of the form of return may

also be allowed to be given as on the date on which the accounts of a factory are closed in case this date is not 31st December. Orissa feels that difficulty of furnishing figures as on 31st December, if the accounts are not closed on that date, would be particularly severely felt for past years. This is a point which has been very carefully considered before the forms were drafted. There has been fairly strong demand from the industry that the particulars in the return may be allowed to be furnished as on the date on which the accounts are closed. However, we felt constrained not to allow this concession, because if returns do not state the position covering a uniform period, collated information will not relate to any specified period. The position of Part (B), which relates to capital structure, is not on a par with the position relating to other Parts. Capital structure, in any case, states the position as on a certain date, while other Parts cover the result of operations extending over a period of time. There is no special reason for believing that the capital structure as on 31st December has any special bearing on the operations carried out in the factory, as against capital structure on any other date of the same year.

III. ORGANIZATION AND STAFF IN THE PROVINCES FOR DEALING WITH CENSUS MANUFACTURING INDUSTRIES RULES, 1945 —(BOMBAY)

1. As stated in item A I above the two essential requirements for a successful census of manufacturing industries are that the right form is served on and a complete and accurately filled up return is obtained from each factory. These requirements can be fulfilled only by the Provincial Authorities. It is, therefore, necessary to examine whether the organisation and staff in the Provinces is adequate for these functions.
2. Attached Statement No III shows the official who has been appointed Statistics Authority in each Province. In Statement No IV has been brought together such information as is available with the Department of Industries and Supplies relating to the Staff in each Province. In this Statement has also been shown the number of factories in each Province which have been covered by the C. M. I. Rules according to the information so far communicated to the I & S Department. In considering the organization and staff sanctioned in relation to the number of factories it is necessary to keep in mind that close contact will have to be maintained between the Statistics Authority and the occupiers of factories for the purpose of classifying factories by industries as well as for explaining to occupiers difficulties connected with the form and rendering other assistance with the object of securing accurate returns. The importance of adequate and sufficiently qualified field staff is, therefore, evident. In this connection it may be desirable to divide the Province into a number of zones assigned to each Inspector or Investigator or other similar official for the purpose of maintaining contact with the occupiers.
3. It is for consideration whether any definite suggestions relating to the type of organisation and staff required for the objects in hand should be made.

B. Extension of the Census of Manufacturing Industries Rules, 1945, to cover all industries for the Census of 1947

1 There are a number of reasons which make it desirable that all industries and all factories should be covered by the Census of Manufacturing Industries Rules, 1945, as early as possible. Apart from the fact that completeness of the census is desirable from the point of view of the general objects with which the census is held for the purpose of preparing a correct list of industries, for classifying each factory under the appropriate industry and for determining the extent of inter-linking of one industry with another, it is desirable that extension of the scope of the Census of Manufacturing Industries Rules to all industries should be effected as early as possible. There is, however, also risk of failure in proceeding at too fast a pace. The organization set up may not be able to handle the work satisfactorily if work is increased too quickly and the occupiers may not be in a position, in spite of best efforts, to fill up the returns satisfactorily, thus leading to failure of the census.

2 The following table shows the implications of covering all industries in relation to the factories already covered in 1946. It gives the position as at the end of 1943 —

	Labour employed		Factories		Daily average number of workers per factory
	Daily average number of workers	Percentage to total factory labour.	Number of factories	Percentage to total No of factories	
I Industries at present covered for the census of 1946—					
(a) Cotton, jute and woollen textile industries	1,116,472	39.8	1,037	51	1,077
(b) the other 26 industries	609,756	21.7	1,410	32.1	149
Total of all the 29 industries	1,726,228	61.5	5,138	40.2	336
II Industries not covered in 1946	1,080,355	38.5	7,652	59.8	141
Total of all factories	2,896,583	100.0	12,790	100.0	219

The figures in this table cover both British India and Indian States and are based on the All India List of Factories, 1943.

It will be observed from the above figures that if the three industries—cotton, jute and woollen textiles—are left out of account, the average size of the factories at present covered by the remaining 26 industries is about the same as the average size of the factories not at present covered. Consequently, the disadvantage of covering small units which do not keep satisfactory accounts or whose occupiers are not literate or well-educated is not likely to be accentuated by extension of the census to cover all factories. The main effect of the extension would be that the enquiry will increase in scope and the volume of work involved will be increased.

3 For the purpose of estimating addition to the volume of work the following figures are of interest —

	No of Factories at the end of 1943 *	No of Factories at the end of 1945 †
1	2	3
I Industries at present covered by C M I Rules—		
(i) Cotton, Jute and Woollen Textiles	937	931
(ii) Other 26 industries	3,656	5,619
Total	4,593	6,550
II Industries not at present covered by C M I Rules	5,938	9,126
Total	10,531	15,676

*Based on "All-India List of Factories, 1943" The classification of factories according to industries is approximately worked out

† Figures against industries already covered are as communicated by the Provinces. Figure for industries not at present covered by Census of Manufacturing Industries Rules has been worked out by increasing the 1943 figure in the same proportion as the figure for the factories under the 26 industries other than Cotton, Jute and Woollen Textile industries at present covered by the Census of Manufacturing Industries Rules.

- These figures show that the additional estimated number of factories to be covered on the basis of such information as is available for 1945 is about 140% in excess of the number of factories actually covered at present. Since a complete Census covering all factories can at the earliest be held in 1947, the increase in the work to be handled by the Provincial Statistics Authorities may be put at something between 150 to 200 per cent over and above the work involved in handling the factories at present covered by the Census of Manufacturing Industries Rules.

4 It is for consideration whether an attempt should be made to cover all industries and all factories for the Census of 1947, which is the earliest year in which this can be done. In considering this question the two following points need special attention —

- (a) So far as the risk of failure involved is due to the fact that accounts are not kept satisfactorily by factories or that occupiers are illiterate or are not well-educated, the situation is not likely to improve to any appreciable degree by waiting for any reasonable time
- (b) It would be extremely risky to proceed with this proposal unless the Provinces are confident that they would be able to expand their organization to the extent necessary for the additional work involved and unless they are also confident that they can man their organization with adequate personnel who are properly trained for this type of work

C. Other Miscellaneous Points

I System of code numbers to be adopted by the Provinces — (Bengal)

(a) Bengal has asked what kind of code numbers are desired by the Government of India for being used on the returns to prevent disclosure of the identity of the factory submitting the return. In this connection Bengal has

also raised the question whether as such secrecy as is required by the directions issued by the Government of India is really necessary. With regard to the question of secrecy, it is well-known that there is very strong opposition in the industry to this Census. One of the grounds for this opposition is the risk which factories feel they run regarding disclosure of confidential information. An assurance has been given to the industry that every possible disclosure measure will be adopted to prevent unauthorised disclosure. Moreover, section 7 of the Industrial Statistics Act requires that confidential nature of the returns should be ensured and lays down heavy penalties for unauthorised disclosure. It is, therefore, both in the interest of successful carrying out of the Census, that stringent regulations relating to secrecy should be maintained.

(b) With regard to the system of code, it appears necessary that any system should provide three parts in each code number, the first part indicating the Province, the second indicating the industry and the third indicating the name of the factory. It would probably be more convenient if, keeping this in mind, Provinces suggested to the Government of India the system of code which they want to adopt taking their own convenience into consideration.

2 Inclusion of all workers employed through contractors in Part (C) of the forms prescribed under the Census of Manufacturing Industries Rules

(a) In the original draft of the Rules it was incumbent to give particulars relating to all workers whether employed directly by the occupiers of factories or employed through contractors. It was, however, represented both by the industry and by Provincial Governments that occupiers are not likely to have complete information relating to workers employed through contractors in view of this information relating to workers employed through contractors in Part (C) of the forms is now required to be given only to the extent to which it is available with the occupiers.

(b) Bengal Government in a communication received earlier in this connection stated that it would be possible to enforce maintenance by contractors of proper records for furnishing the required particulars to occupiers by making it a condition of the terms of contract entered into by the occupiers with the contractors. It was not stated under what provision of law this could be enforced.

(c) It is for consideration what measures could be adopted to make it feasible for occupiers to furnish complete information relating to all labour employed through contractors.

3 Powers for the Statistics Authorities to call for supplementary statement.—

(Bengal)

Bengal have suggested that the Statistics Authority should be empowered to call for any information for all or any of the purposes of the Act. It is not clear whether Bengal are referring to powers for calling for supplementary information under the Census of Manufacturing Industries Rules or whether they are referring to powers under section 6 of the Act. Bengal representative may be asked to explain and to say what precisely is desired.

4 Making available the data for any industry in one Province to another Province and carrying out by the Central Government of any analysis required by the Provinces.—(Bengal)

(a) Bengal suggest that the data for any industry in one Province should be made available to the Statistics Authority of another Province and also that if the Statistics Authority of a Province is interested in any aspect of an industry in any other Province, the Centre should either carry out the necessary analysis for him or give him facilities to carry out the same. In this connection it is necessary to point out that under section 7 of the Act,

particulars in any individual returns relating to any Province cannot be shown to any person who is not engaged in the collection of statistics under the Act. Therefore, information contained in individual returns relating to one province cannot be passed on to the Statistics Authority of another province. The Government of India have in mind the preparation of a report on the Census if the Census proves successful. This report will contain all such information as the Government of India consider suitable for publication without infringing the requirements of section 7. This report will be available to all the Provinces.

(b) So far as analysis of information relating to any single Province is concerned, Provinces under direction 5 (1) have full powers to take such action as they like, subject to certain requirements prescribed under direction 5.

5 Discussion of "end tables" and method of calculation of physical volume of production, value of production and out put per man-day —(Bengal)

Bengal has suggested that these items should be considered. For the purpose of their own collation and analysis it is open to the provinces to make use in this connection of such methods subject to direction No 5 as they consider suitable.

6 Printing for sale of the Industrial Statistics Act, 1942, and the Census of Manufacturing Industries Rules, 1945 —(Orissa)

Orissa have suggested that the Act, the Rules and instructions may be printed for sale to the public. In case it is not practicable to add instructions at present, they suggest that at least the Act and the Rules should be printed for sale. It appears that so far as the instructions are concerned the position is so fluid at the moment that it would not be desirable to include them in this proposal. There can be no objection, however, to the printing of the Act and of the Rules in one volume for sale to the public. As the Rules have been framed by the Provincial Governments, it would be appropriate for each Provincial Government to get this volume printed for sale to occupiers within the Province.

7 Direct correspondence between the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, and the Statistics Authority in each Province.

In order to save time, it appears that on matters in which the Provincial Governments or the Government of India as such are not concerned, i.e., in technical matters relating to the Census direct correspondence between the Director of Industrial Statistics at New Delhi and the Provincial Statistics Authorities would be desirable. It also appears desirable that copies of any important correspondence which may pass between the Statistics Authority and the occupiers of factories in connection with classification of factories, difficulties in filling up the returns, or any other matter should be endorsed to the Director of Industrial Statistics. On any points of this nature or on any other technical points on which any Statistics Authority feels any doubt, he should refer direct to the Director of Industrial Statistics.

8 Permanent liaison should be established between the Centre and the Provinces and conferences should take place at regular intervals, say once in every quarter —(Bengal)

Permanent liaison already exists between the Centre and the Provinces and any questions which either the Provinces or the Centre wish to clarify are dealt with by correspondence. Conferences will be held as and when considered necessary. Laying down of a regular quarterly interval does not appear to be called for.

9. Necessity for close liaison between the Statistics Authority and the Factories Inspectorate in each Province —(Bombay).

It is desirable that close liaison should be maintained between the Statistics Authority and the Factories Inspectorate in each Province. The Industrial Statistics Act, in so far as the definition of factory in this Act is the same as in the Factories Act, 1934, is in a sense based on the latter Act. Therefore, information available relating to factories, the industries in which they are engaged, the names and addresses of their occupier, etc., available under the Factories Act is of greatest value for the purpose of administering the Census of Manufacturing Industries Rules. Action, however, in this connection is entirely within the powers of the Provinces because the Factories Inspectorate like the Statistics Authority is directly under their jurisdiction.

D. Position in the Indian States.

1 When action in connection with the Census of Manufacturing Industries Rules, 1945, was initiated in British India, the States (except one or two cases) did not have legislation corresponding to the Industrial Statistics Act, 1942. Action in the Indian States will, therefore, lag behind action in British India to a certain extent. Indian States are, however, taking steps to introduce legislation on the lines of the British Indian Industrial Statistics Act, 1942, and to initiate further action in this connection. According to the information available with the Industries and Supplies Department, the following States have passed legislation on the lines of the Industrial Statistics Act, 1942 —

Mysore, Travancore, Patiala, Kapurthala, Faridkot, Jodhpur, Bikaner, Kishengarh, Morvi, Nawanagar, Porbandar, Rajkot

2 Any points which the representatives of the Indian States may wish to raise may be discussed

E Any other points which any representative at the Conference may wish to raise.

STATEMENT No. I.

Factual Statement showing the present position of action taken by the Province in connection with or under the Census of Manufacturing Industries Rules, 1944 (Position as communicated to the I. & S. Deptt up to the end of February 1946)

Name of the Province.	Date on which C.M.I. Rules, 1945, were notified.	Date of the Gazette containing the Notification by which C.M.I. Rules, 1945, were published.	Whether notices under Rule 3 of the C.M.I. Rules, 1945, were served before the end of 1945.	Whether letters asking for voluntary returns for 1944 and 1945 have been issued.	Action taken to ensure submission of accurate returns from factories.
1	2	3	4	5	6
1. Ajmer-Merwara	4-12-45	2-12-45	yes	yes	
2. Assam	not furnished	not furnished	yes	yes	Propose supplying copy of the Act and C.M.I. Rules to each factory. Also propose sending special staff for Statistics Authority to ensure accuracy of returns.
3. Baluchistan	not furnished	not furnished	yes	yes	
4. Bengal	29-11-45	15-12-45 (Extraordinary)	yes	yes	Officials of the Province Statistics Bureau are visiting factories under the directions of the Statistics Authority and explaining the forms to the managers and directing them as to the maintenance of registers in a form most suitable for the purpose of compilation of statistics required under the Rules.
5. Bihar	1-12-45	2-12-45 (Extraordinary)	yes	yes	By correspondence and personal contact precautions are being taken to ensure accuracy of returns. A senior Gazetted officer of the office of the Commissioner of Labour has been authorised to take necessary action in this matter.
6. Bombay	8-12-45	18-12-45 (Extraordinary)	yes	yes	The Deputy Director of Industries proposes to visit large & medium factories which ask for assistance. Attention will be made to see that the factories get all possible help from the staff of the Statistics Authority. Only doubtful returns will be referred from origin records with factory. Returns will be signed by the Industrial Statistician and checked on an independent basis and distributed.

STATEMENT No I—contd

Name of the Provinces	Date on which C M I Rules, 1945, were notified	Date of the Gazette containing the Notification by which C M I Rules, 1945, were published	Whether notices under Rule 3 of the C M I Rules, 1945, were served before the end of 1945	Whether letters asking for voluntary returns for 1944 and 1945 have been issued	Action taken to ensure submission of accurate returns by factories
1	2	3	4	5	6
7 C & Berar	28-12-45	28-12-45 (Extraordinary)	yes	yes	Inspectors of factories have been given instructions to help industrial concerns in properly filling up the forms during their visits to factories. The inspectors have already started on this work.
8 Coorg	4-12-45	10-12-45 and 2-1-46	Notices and letters not issued. No factory covered by any industry in Schedule I exists in Coorg		
9 Delhi	23-11-45	22-12-45	yes	Definite information not furnished	
10 Madras	30-11-45	29-12-45 (Extraordinary)	yes	being issued	Inspectors of Factories have been advised to inspect all factories covered by the C M I Rules before 15-3-1946 and to instruct all occupiers of factories by personal discussion regarding the manner in which the form of return is to be filled up.
11 N W F P	29-11-45	30-11-45 (Extraordinary) Schedule II in full containing all forms not yet published	yes	yes	Some compilation staff which will also render assistance to factories appointed
12 Orissa	3-12-45	29-12-45 (Extraordinary)	yes	yes	An Investigator will be shortly appointed who will give necessary instructions to the factories
13. Punjab	3-12-45	21-12-45 (Extraordinary)	yes	being issued	
14. Sind	23-11-45	23-11-45 (Extraordinary)	yes	yes	Two inspectors have been appointed who will go round the factories to explain and fill up the forms.

STATEMENT No I—concl'd

Name of the Province	Date on which C M I Rules, 1945, were notified	Date of the Gazette containing the Notification by which C M I Rules, 1945, were published	Whether notices under Rule 3 of the C M I Rules, 1945, were served before the end of 1945	Whether letters asking for voluntary returns for 1944 and 1945 have been issued	Action taken to ensure submission of accurate returns by factories
1	2	3	4	5	6
15 U P	8 12-45	3-12 45 (Extraordinary)	yes	being issued	An Economic Intelligence Inspector has been deputed to each District. Each Inspector has been asked to check the list of factories and to visit factories with a view to help the occupiers in keeping their accounts and records properly for the filling up of the returns

Notifications under Sections 1 (3), 3 (1) (a) and 4 of the Industrial Statistics Act, 1942, which are necessary before action relating to the collection of statistics under the Act can be taken, have been issued by all Provinces

STATEMENT No II.

Certain discrepancies noticed in connection with Classification of Factories by Industries.

TABLE I —Number of factories as intimated by the provincers for the purpose of supply of forms and as worked out from the forms actually asked for subsequently

Name of Industry	Assam		Bombay		Punjab		U P.	
	Number of factories as communicated	Number of factories, estimated from forms asked for	Number of factories as communicated	Number of factories estimated from forms asked for	Number of factories as communicated	Number of factories estimated from forms asked for	Number of factories as communicated	Number of factories estimated from forms asked for
1	2	3	4	5	6	7	8	9
1 Rice Milling (C M I 2)	60	107					55	47
2 Woollen Textiles (C M I 19)					17	55	5	12
3 Chemicals (C M I 21)			60	106	13	20		

TABLE II —Number of forms asked for each of the years 1944, 1945 and 1946.

Name of Industry	Bombay			Punjab		
	Number of forms asked for			Number of forms asked for		
	1944	1945	1946	1944	1945	1946
1 Biscuit making (C M I 3)				21		
2 Woollen Textiles (C M I 19)				21		
3 Chemicals (C M I 21)			21			

STATEMENT No III

List showing the designation of the Officer appointed as Statistics Authority in each Province and also showing any other Additional Office held by the Statistics Authority.

(Position as communicated to the I and S Department up to the end of February, 1946)

Name of Province	Designation of Officer appointed as Statistics Authority according to Provincial Government's Notification under Section 1 of Industrial Statistics Act, 1942	Name of Statistics Authority	Designation of any Office held by present Statistics Authority in addition to that specified in Column 2
1	2	3	4
1 Ajmer Merwara	Labour Officer	Rao Sahib Chunilal D Trivedi	Controller of Emigrant Labour (as given in the Combined Civil List for July—September 1945)
2 Assam	Labour Commissioner	Mr A S R Pillai	
3 Baluchistan	Inspector of Factories		
4 Bengal	Deputy Director, Provincial Statistics Bureau	Mr N Chakravarty	According to Combined Civil List for July—September 1945—Commissioner of Labour and Employment
5 Bihar	Commissioner of Labour	Mr S R Bose	
6 Bombay	Director of Industries	Mr M P Kanga	
7 Central Provinces and Berar	Chief Inspector of Factories	Mr R G Oka.	
8 Coorg	District Magistrate		
9 Delhi	Superintendent of Industries	Mr Raj Narain	
10 Madras	Deputy Chief Inspector of Factories	Sri Rao Sahib C G Reddi	
11 N W F P	Chief Inspector of Factories	Khan Mohd Aslam Khan Khatak	
12 Orissa	Chief Inspector of Factories		
13 Punjab	Statistical Officer in the Industries Department	Mr L. K Sehgal	
14 Sind	Commissioner of Labour	Mr A P LeMesurier, ICS	Secretary to Government, Labour Department.
15 United Provinces	Economic Adviser to the Government of the United Provinces	Mr S K Rudra	Secretary to Government, Economics and Statistics Department

STATEMENT No. IV.

Number of factories in each Province and staff sanctioned for work connected with the Census of Manufacturing Industries Rules.

(Position as communicated to the I & S Department up to the end of February, 1946)

Name of Province	Number of factories covered by C M I Rules as intimated by Provinces	Posts sanctioned
1	2	3
1 Ajmer-Merwara	12	Proposal under consideration
2 Assam	103	No staff sanctioned
3 Baluchistan	6	1 Assistant
4 Bengal	1,300	The following staff has been sanctioned for the Provincial Statistical Bureau which is also responsible for the work connected with C M I Rules — 1 Statistical Officer (Gazetted)—Filled, part-time post 1 Director of Statistics (Gazetted)—Vacant 1 Deputy Director who is a Statistics Authority (Gazetted)—Filled 2 Statisticians (Gazetted)—Vacant 4 Assistant Statisticians (Gazetted)—Vacant 2 Inspectors (Gazetted)—Filled 8 Computer-Investigators (Non Gazetted)—Filled 10 Clerks—8 filled
5 Bihar	231	1 Statistical Specialist (Non Gazetted) 1 Statistical Assistant (Non-Gazetted) 1 Typist
6 Bombay	1,620	The following staff has been sanctioned in the Office of the Director of Industries for work connected with Commercial Intelligence and Industrial Statistics — 1 Additional Deputy Director of Industries (Commercial Intelligence and Industrial Statistics) 1 Commercial Intelligence Officer. 1 Industrial Statistician 2 Senior Inspectors 3 Heads of Branches 7 Senior Clerks 7 Junior Clerks. 1 Stenographer. 3 Typists 3 Computers.

STATEMENT No IV—con'd.

Name of Province	Number of factories covered by C M I Rules as intimated by Provinces	Posts sanctioned
1	2	3
7 C P & Berar	330	1 Statistical Assistant 1 Investigator 1 Upper Division Clerk 1 Lower Division Clerk
8 Coorg		
9 Delhi	137	1 Statistical Assistant
10 Madras	1,124	1 Superintendent 3 Clerks
11 N-W F P.	7	1 Compiling Clerk 1 Typist
12 Orissa	104	1 Inspector of Factories (Looks after work under the C M I Rules in addition to his other duties) 1 Upper Division Grade I Assistant 1 Upper Division Grade II Assistant 1 Lower Division Assistant 1 Typist 1 Compiler 1 Investigator
13 Punjab	713	The following staff has been sanctioned in the Office of the Director of Industries (who looks after the work under C M I Rules, 1945) in addition to their other duties — 1 Statistics Officer 5 Statistical Assistants 1 Clerk 1 Typist 1 Assistant 2 Inspectors
14 Sind	224	No special staff has been sanctioned for the purpose The Department of Economics and Statistics of this Province has one Economic Intelligence Inspector in each District The Headquarters staff of this Department and the District Inspectors under it deal also with work connected with the C M I Rules, 1945
15 U P	639	
TOTAL	6,550	

No 4-S G (4)/46
GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND SUPPLIES.

New Delhi, the 26th February, 1946

From

J D Kapadia, Esquire, I.C.S.,
Deputy Secretary to the Government of India

To

All Provincial Governments and Chief Commissioners (except Chief Commissioner, Panth Piploda)

Subject —Industrial Statistics Act, 1942—Census of Manufacturing Industries Rules, 1945

SIR,

I am directed to invite a reference to the Industries and Civil Supplies Department's letter No 3-S (25)/45, dated the 10th November 1945 and to say that doubts appear to have been expressed by certain factories under Government ownership as to whether the Census of Manufacturing Industries Rules, 1945, apply to factories owned by Government. The Government of India are advised that the Industrial Statistics Act, 1942, and the Rules framed thereunder apply to all factories including those owned, managed or administered by the Central Government or by any Provincial Government and that it is, therefore, obligatory on each such factory as well to furnish by the prescribed dates return to the Statistics Authority of the Province, in which the factory is situated when called upon by the Statistics Authority concerned to do so. Apart from this, as the object of the Census of Manufacturing Industries Rules, 1945 is to enable the Government to conduct a complete census of manufacturing industries, this object would be defeated, if factories owned, managed or administered by Government do not furnish the required returns. At present 29 industries are covered by the Census of Manufacturing Industries Rules, 1945. But the question of extending the census of manufacturing industries to cover all industries is under consideration. It is, therefore, requested that the Provincial Government may kindly instruct all factories owned, managed or

administered by the Provincial Government to furnish to the Statistics Authority

returns and other information called for by him in this connection. The different Departments of the Government of India are also being addressed on similar lines.

[2 The forms of return prescribed under the Census of Manufacturing Industries Rules, 1945, are based on the assumption that the factory submitting the return maintains accounts in accordance with normal commercial practice. If any factory does not maintain accounts in this manner and consequently it is anticipated that any difficulty for this reason may arise in filling up the return and in case the Statistics Authority is not in a position to clarify it, it may kindly be referred to this Department. In this connection attention is invited particularly to Part (F) of the forms in which or factory net selling value of the production of the factory is required to be stated. If any factory does not actually sell in the commercial sense, the goods produced by it but disposes of its production by book transfer to other Government agency, it is provided in the form that in such cases the book value at which transfer is effected may be given in place of the selling value. It is believed that in view of this provision there will be no difficulty in the return being completely filled up by the factories concerned.]

3 The remarks above apply also to factories owned by such semi-Government bodies as municipalities, etc., and should be construed accordingly

4 It is requested that this Department may kindly be furnished with a complete list of factories, owned, managed or administered --

- (i) by the Central Government and located within the Province
- (ii) by the Provincial Government/the local administration *
- (iii) by semi-Government bodies like municipalities, etc., giving in each case the following particulars --
 - (a) Name and address of the Factory
 - (b) The industry in which it is engaged and names of its principal products
 - (c) Whether the factory is owned by any of the authorities mentioned above or whether it is managed or administered without being owned by the authority concerned. In the latter case, the relation between the owners and the authority in question may kindly be stated
 - (d) The name and address of the official who is in immediate charge of the management and administration of the factory

I have the honour to be,

SIR,

Your most obedient servant,

(Sd) J. D. KAPADIA,

Deputy Secretary to the Government of India

No 4 S G (4)/46

- (1) Copy forwarded to the Political Department with the request that the Indian States concerned may kindly be addressed on similar lines
- (2) Copy forwarded to the Secretary, Co ordination Committee of the Council, Council Secretariat, New Delhi, with reference to the I & C S Department's D O letter No 5-ASE/CC 45, dated 28th November 1945

By order, etc.,

(Sd) D. JIJMADI,

for Deputy Secretary to the Government of India

* To Chief Commissioners only

REFERENCE ITEM A I 2 (b) OF NOTES ON THE AGENDA FOR THE CONFERENCE OF REPRESENTATIVES OF PROVINCIAL GOVERNMENTS AND OF INDIAN STATES TO BE HELD ON THE 11TH MARCH, 1946, TO CONSIDER MATTERS CONNECTED WITH THE CENSUS OF MANUFACTURING INDUSTRIES RULES, 1945

Refusal by an occupier of a notice served under Rule 3 —

(1) It is understood that refusal to accept the notice is not in itself an offence. To establish an offence under Section 8 of the Industrial Statistics Act, 1942, it will be necessary to prove (a) that the notice was served, and (b) that the person on whom it was served wilfully refused or without lawful excuse neglected to furnish the required return. As regards (a), Section 5 (2) of the Industrial Statistics Act, 1942, provides that the notice may be served by post, thus attracting Section 27 of the General Clauses Act, 1897, under which "service shall be deemed to be effected by properly addressing, pre-paying and posting by registered post, a letter containing the document, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post". The presumption created by Section 27 of the General Clauses Act, 1897, will not be affected by the fact that the addressee refused to accept delivery. As regards (b), since Rule 4 (1) of the Census of Manufacturing Industries Rules imposes on the occupier a liability to furnish the return not later than fourteen months after the notice has been served on him under Rule 3, it may be virtually impossible to establish the offence until after this period of fourteen months has expired and till then the Statistics Authority would not be able to take any legal action in the matter.

(2) This is the legal position. However, it is possible that a number of occupiers, who refuse to accept registered packets containing the notice, do not do so with the definite object of defaulting in the submission of returns, but in accordance with their normal practice under which they refuse to accept a registered letter irrespective of its contents, because they believe that such letters are always a source of trouble. In view of this it appears desirable that the Statistics Authority should communicate with them either by ordinary post or by personal approach and explain what the registered packet contains and what will be the consequences of not furnishing the return. On this explanation a number of occupiers, who refused originally to accept the registered packets, would be willing to accept the notice and the forms if tendered by hand by an official of the Office of the Statistics Authority.

(3) There may, however, be a relatively small number of occupiers, who may refuse to accept the notice and the forms, even when they are tendered by hand after the explanation referred to above. These are the persons who will be the main source of difficulty. It is for consideration what action should be taken about such occupiers. In this connection, it may be explained that one cannot for certain say that an occupier, who refuses to accept the notice, will default in the submission of the return. Even after refusing the notice, he may submit a return at the proper time.

Proceedings of a conference of representatives of Provincial Governments and Indian States held at New Delhi on the 11th and 12th March 1946 to consider matters connected with the Census of Manufacturing Industries Rules, 1945

The conference met at 11 a.m. on Monday the 11th March 1946 at Jansahner House, Mansingh Road, New Delhi. The following were present —

GOVERNMENT OF INDIA.

Mr M. P. Pai, I.C.S., Joint Secretary, Industries & Supplies Department (Chairman)

Mr B. N. Kaul, Director of Industrial Statistics, Department of Industries & Supplies

Mr M. V. Divatia, Assistant Director of Industrial Statistics, Department of Industries & Supplies.

Mr D. Hejmadi, Assistant Director of Industrial Statistics, Department of Industries & Supplies

PROVINCES

Ajmer-Merwara

Rao Sahib Chumilal Trivedi, Labour Officer and Statistics Authority

Assam

Mr A. S. R. Pillai, Labour Commissioner and Statistics Authority

Bengal

Mr N. Chakravarti, Deputy Director, Bengal Statistics Bureau and Statistics Authority

Bihar

Mr S. R. Bose, Commissioner of Labour and Statistics Authority.

Bombay

Mr S. M. Dhume, Additional Deputy Director of Industries

C. P. & Berar

Mr R. G. Oka, Chief Inspector of Factories and Statistics Authority

Delhi

Lala Raj Naram, Superintendent of Industries and Statistics Authority

Madras

Sri Rao Sahib C. G. Reddi, Deputy Chief Inspector of Factories and Statistics Authority

N. W. F. P.

Mr D. M. Sapra, Inspector of Factories

Orissa

Mr R. L. Narasimham, I.C.S., Secretary to Government, Law, Commerce and Labour Department

Sri S. Padhi, Inspector of Factories

Punjab

Mr L K Sehgal, Statistical Officer in the Industries Department and Statistics Authority

Sind

Dr S T Merani, Assistant Commissioner of Labour

United Provinces :

Prof S K Rudra, Secretary to Government, Economic Adviser to Government and Statistics Authority

STATES

Chamber of Princes .

Mr P K Shunglu, Deputy Secretary, H. H the Chancellor's Secretariat

Baroda :

Mr A C Mukherji, Director of Statistics

Mr C V Bhatt, Director of Industries (attended for some time)

Cochin

Mr C J Mathew, Secretary to Government, Development Department

Faridkot

Maulvi Mohd Ismail, General Manager, I E S C and F M P

Gwalior

Mr V D Jawalikar, Director of Statistics

Indore

Mr K S Srikantan, Director of Industries

Jodhpur

Rai Saheb Kishan Puri, Director of Industries and Commerce

Kapurthala

Dewan Walaiti Ram, Secretary, Industries Department

Kashmir

Dr R K Bhan, Principal, Amar Singh College, Srinagar

Patiala

Sardar K L Budhiraja, Director of Industries

Tiruvancore

Mr V K Velayudhan, Labour Commissioner

The Chairman opening the Conference, said that it was hardly necessary for him to emphasise the importance of the subject which the conference would be discussing. The purpose of obtaining comprehensive statistics of the kind proposed to be collected under the Census of Manufacturing Industries Rules, 1915, was to have a complete picture of the industrial

activity of the nation and to provide a systematic basis on which industrial policy could be formulated. In most of the industrially advanced countries, statistics of this nature were being collected in a very complete form. In order to obtain similar statistics in India, the Provinces were requested to issue the Census of Manufacturing Industries Rules, 1945, under the Industrial Statistics Act, 1942. For the year 1946 it was proposed that statistics relating to only 29 industries should be collected. One of the items on the agenda of the Conference was whether from the year 1947 the whole industrial field should be covered. The Chairman expressed appreciation of the fact that all the Provincial Governments had issued the Census of Manufacturing Industries Rules, 1945, before the end of December 1945 and had called upon the factories concerned to furnish under the Rules, returns for the year 1946, and on a voluntary basis for the two previous years. Certain steps to ensure that returns are received from all the factories concerned and that they are completely and reasonably accurately filled were also being taken. It was mainly with a view to consider what difficulties were experienced or were anticipated in administering the Census of Manufacturing Industries Rules and what measures could be taken to overcome such difficulties that the Conference had met. It was also the purpose of the Conference to discuss with representatives of the States any difficulties which they might be experiencing in taking parallel action in their territories. The agenda of the Conference had been classified under five heads as follows --

A *Administration of the Census of Manufacturing Industries Rules, 1945, which at present cover 29 industries,*

B *Extension of the Census of Manufacturing Industries Rules to cover all industries for the census of 1947,*

C *Other miscellaneous points,*

D *Position in the Indian States, and*

E *Any other points which any representative at the conference may wish to raise*

The detailed items of the agenda were then taken up for consideration

A *Administration of the Census of Manufacturing Industries Rules, 1945, which at present cover 29 industries*

I *Returns asked for on a statutory basis under the CMI Rules.*

The Chairman stated that for the purpose of conducting a successful census of manufacturing industries, it was essential that the right form was served on and a complete and accurately filled up return was obtained from each factory. The Government of India attached the greatest importance to these essential requirements of a successful census and were of the opinion that each Statistics Authority should, in the first instance concentrate his efforts to ensure that these requirements were actually fulfilled. In this connection, the following points, which had either

been raised by the Provinces or had otherwise come to the notice of the Industries & Supplies Department, required careful consideration :—

1 *Factories to be included under each industry in Schedule I of C.M.I. Rules, 1915*

(a) *Classification of factories under industries*

It was explained that in order to be able to serve the right form on each factory and to ensure that all factories engaged in any industry listed in Schedule I are covered, it was necessary that each Province should have a complete and accurate list of factories classified by industries. It appeared however, that it was not quite clear to the Provinces how to classify factories according to the industries mentioned in Schedule I. It was explained that under the scheme of the census, as provided by the Census of Manufacturing Industries Rules, only one form is to be served on each factory. Therefore, it was essential that each factory should be classified under only one of the industries listed in Schedule I. Each form provides that any items of products or of materials used which are not specified by name in the form should be entered by the occupiers under the head "Others". Each form, therefore, covers the entire production and consumption of materials of a factory falling under the industry to which the form is applicable. Ordinarily, classification of factories should be possible from the description of the industry given in Schedule I. In doubtful cases an examination of the principal products of the factory and their comparison with the products listed under Part (F) of the forms should be of assistance. In cases in which a factory produces articles falling under more than one industry, the factory should be classified under the industry to which the largest part of its production relates. If even after an examination on these lines, the Statistics Authority is in doubt as to the classification of a factory, the matter should be referred to the Director of Industrial Statistics, Industries & Supplies Department New Delhi with all relevant information and particularly with a list of the principal products of the factory concerned.

The Chairman then enquired whether the explanation and the procedure outlined above would be sufficient to enable the Statistics Authorities to classify factories by industries and invited the representatives to raise any points on which they desired further clarification. The Conference generally agreed that the procedure outlined above would be adequate.

In reply to Prof. Rudra's enquiry, it was explained that the "largest part" of the production of a factory should be determined on the basis of the value of the products. It was confirmed in connection with an enquiry from the representative of Patiala that a factory which manufactures only parts of sewing machines and not complete sewing machines should be asked to furnish a return in Form No. C.M.I. (25) relating to sewing machines and not in form No. C.M.I. (29) relating to General Engineering. It was also explained that if a factory engaged mainly in cotton ginning, carried on also the manufacture of vegetable oils to a minor extent, it need not be asked to furnish a return in the form relating to vegetable oils [Form No. C.M.I. (8)]. To this extent until all industries were covered by the census, the statistics were bound to be incomplete. A point was then raised whether the classification given in the publication "Large Industrial Establishments in India" issued by the Department of Commercial Intelligence and Statistics, Calcutta, could

be followed as a guide for the purpose of the Census of Manufacturing Industries Rules. The Conference was generally of the opinion that the basis of the classification adopted in this publication was not clear and, in any case, not suitable for the purpose of the Census of Manufacturing Industries Rules. In this connection, in response to Mr. Kaul's request, Rao Sahib C. G. Reddi agreed that on his return to Madras he would forward to the Director of Industrial Statistics, Industries and Supplies Department, a note, with extracts from relevant files explaining the basis on which the list of industries used for the purpose of the "Large Industrial Establishments in India" was arrived at and the manner in which factories were classified under each industry for the purpose of that publication.

(b) *Factories whose products fall under more than one industry listed in Schedule I.*—(Orissa & Bihar).

In view of the position stated under paragraph A.I. 1(a) above, it was agreed that it was not necessary to ask such factories to maintain, separately in respect of their activities connected with different industries all particulars required in the return. According to the procedure outlined under that paragraph each such factory would be required to furnish a return only in one of the prescribed forms, which would cover the entire activity of the factory.

(c) *Factories which shift from industry to industry.*—(Madras).

The Madras representative explained that the rice milling factories which were now mainly engaged in oilseed crushing had not permanently given up the former industry, but had only temporarily shut down their rice-milling sections owing to want of paddy for husking. Frequent changes in the products of a factory, of a nature which would necessitate the shifting of the factory from one industry to another in the classification adopted by the Statistics Authority took place very rarely, if at all. In view of this it was agreed that no special steps were called for in connection with the shifting pointed out by the Madras representative. Rule 5 of the Census of Manufacturing Industries Rules provided sufficient safeguard in such cases. In any particular year the factories in question should be classified, in accordance with the procedure outlined in paragraph A.I. 1(a) above, under the industry to which its principal products, in that year, relate.

(d) *Factories covered by Form No. C.M.I. (29) — "General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy)".*—(Madras and others).

Special difficulty was experienced in classifying factories for the purpose of service of this form. For the present the following engineering industries are separately classified in Schedule I and a separate form for each of them is prescribed. Any factory whose principal products belong to these industries should not be served with form No. C.M.I.-(29) and should not be classified under "General Engineering and Electrical Engineering" industry :—

(1) Bicycles.

(2) Sewing Machines.

- (3) Producer Gas Plants
- (4) Electric Lamps
- (5) Electric Fans

In addition to these industries, it was proposed that the following engineering industries, which exist in fairly distinct units, should be treated as separate industries for the purpose of prescription of forms when extension of the census takes place. It would, therefore, be advisable not to treat any factory engaged in these industries as falling under "General Engineering and Electrical Engineering" and not to serve form No C.M.I (29) on it —

- (1) Railway Workshops and repair shops and locomotive shops
- (2) Railway wagon manufacturing
- (3) Ship building, ship repair and dockyard factories
- (4) Engineering Ordnance Factories
- (5) Motor Vehicles—Servicing, repairs, body building, assembling, etc
- (6) Aircraft repairs and ground establishments
- (7) Generation and transformation of electrical energy

On all the other engineering factories (provided they were also not covered by any of the forms prescribed under the Census of Manufacturing Industries Rules) form No C.M.I (29) should be served and they should be treated as falling under the heading "General Engineering and Electrical Engineering".

The Conference agreed that this approach to the classification of factories falling under "General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy)" industry—form No C.M.I (29)—should be tried out. The representatives were invited to state whether any engineering industries other than the seven industries mentioned above should be covered by separate forms when extension of the scope of the census takes place. It was explained in this connection that the number of separate forms should be kept as small as possible because when a decision relating to the extension of the scope of the census is taken the forms will have to be drafted very quickly. The representatives of UP and Bengal suggested that separate forms might be prescribed for mathematical and surgical instruments manufacturing industry and for the metal-stamping industry. The Conference, however, finally agreed that these industries were not of sufficient importance for this purpose and both of them should be covered by the form No C.M.I (29). Firms engaged in the metal stamping industry which produce articles from copper, brass and aluminium should however be asked to furnish returns in form No C.M.I (22) and not in form No C.M.I (29). The Conference was of the opinion that to start with separate forms for engineering industries other than the 7 industries mentioned above need not be prescribed when extension of the scope of the census takes place.

The question was then raised as to what steps should be taken if a factory refused to furnish a return in the form finally forwarded to it by the Statistics Authority after considering any representation made

(e) *Repair Workshops and factories engaged exclusively in repair work — (Madras and Delhi)*

For the purpose of the Census of Manufacturing Industries Rules it was not necessary that a factory must be engaged in the manufacture of articles for sale. The census should cover any factory covered by clause 2(j) of the Factories Act, 1948, provided it was engaged in any of the industries listed in Schedule I of the Census of the Manufacturing Industries Rules. Therefore, repair workshops are covered by these rules and notices should be served on them. If a repair workshop cannot be considered to be a factory falling under any of the engineering industries for which separate forms are or are proposed to be prescribed, then it should be considered to fall within the "General Engineering and Electrical Engineering" industry and form No. C.M.I. (29) should be served on it.

(f) *Crown factories and factories owned by semi-Government bodies — (Madras and U.P.)*

It was explained that the Industrial Statistics Act, 1942, and the Census of Manufacturing Industries Rules, 1945, covered Crown factories. Therefore, the Statistics Authorities should serve notices on them and collect information from them exactly in the same manner as from privately owned factories. In order, however, to reinforce the legal powers by executive instructions the Government of India had requested Provincial Governments to issue instructions that all factories owned by them should comply with the request of the Statistics Authority. Departments of the Government of India concerned had also been addressed in the same sense. These remarks also applied to all factories owned by semi-Government bodies like municipalities, etc. The Chairman added that if there were any further difficulties in this connection, they might be referred to the Department of Industries and Supplies.

2 Service of notice under Rule 3

(a) *Notice to be served on occupier by name or by designation — (Bengal)*

The procedure adopted in this respect in different Provinces was not uniform. Certain Provinces addressed notices under the Census of Manufacturing Industries Rules to occupiers by name, while others to occupiers as "occupiers". The Bengal representative stated that in Bengal notices under the Factories Act were served on occupiers as "occupiers" and these notices had been held by

the returns as valid notices. Therefore, notices under the Census of Manufacturing Industries Rules should also be served to occupiers of factories by designation as "occupiers". Representatives of certain other Provinces, on the other hand, held the view that it would be advisable to serve on occupiers by name notices under the Census of Manufacturing Industries Rules. It was agreed that for the present the most appropriate course would be for each Statistics Authority to follow the practice which he considers most suitable to the conditions in his Province. But if an occupier was addressed by name (and not by designation as "occupier") his designation as occupier of the factory in question should be included in the address. Each Statistics Authority should communicate to the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, the procedure actually followed by him and the reasons for adopting that procedure. On receipt of this information the matter should be further examined by the Department of Industries and Supplies.

The Bombay representative stated that in certain cases more than one occupier was indicated against a factory in the list furnished by the Factories Inspectorate. The Chairman explained that the occupier for the purpose of the Census of Manufacturing Industries Rules was the occupier as defined under the Factories Act. In cases in which any doubt existed, as to who the occupier was, the matter should be clarified by reference to the Factories Inspectorate.

(b) *Refusal by an occupier of a notice served under Rule 3—(Bihar)*

The Bihar representative explained that although some registered letters containing the notices had been refused in the first instance, he had ultimately succeeded in delivering the notices to the occupiers in question. Cases of refusal to accept notice in other Provinces had also not arisen, although in certain cases, as in the case of Bihar, some difficulty was experienced to start with. The question, therefore, did not have practical significance. It was, however, suggested that to avoid unintentional refusal, it was desirable to indicate the contents on the cover containing each notice. In view of the legal position that in case an occupier deliberately refused to accept a notice, action against him could be taken only after he had defaulted in the submission of the return, that is, after at least fourteen months, it was also suggested that the matter should be further examined and, if possible, a provision made in the Rules for remedying this defect.

3 *Difficulties noticed in connection with the filling up of the forms of return*

(a) *Factories which close their accounts on 31st December but whose final accounts are not ready by the end of February following, when returns are required to be furnished—(Sind)*

The view of the conference was that, generally speaking, there should be no difficulty for any factory which closes its accounts on the 31st December, in having its audited balance-sheet and profit and loss account ready by the end of the following March. It was suggested that under the Indian Companies' Act there was a time limit by which the audited

The C.P. & B. representatives stated that accounts of the kind which might appear in the Indian or Mahanagar Press would not understand English and, therefore, found it difficult to maintain in such a manner. He also stated that the accounts described under the heading of 'C.P. & B. Berar'.

The C. P. & Berar representatives stated that accounts of factories which did not understand English and, therefore, found it difficult to understand the form of return. He also stated that the accounts of certain factories were maintained in such a manner that the forms required in the returns prescribed under the Census of Manufacturing Industries Rules could not be easily extracted from them. The chairman explained that the points raised by C. P. & Berar involved two issues—(1) understanding of the forms of the form of return. With regard to the latter of these issues, it would not be appropriate to prescribe under the Industrial Statistics Act, 1942, forms for keeping of accounts by factories. This was a very big issue and could not be handled as an item of the subject-matter of the Industrial Statistics Act, 1942. The Statistics Authority should, however, suggest to the owners of factories the manner in which they should maintain accounts for the purpose of filling up of the returns. This should be done by personal contact and by persuasion. With regard to the difficulty of understanding the form, again it was a matter in which close personal contact between the officials of the Statistics Authority and the occupiers of factories was necessary. Oral explanation memoranda in the various cases of the occupiers of factories, an explanation memorandum in the various cases of the Province. The conference agreed that this procedure would be the most appropriate under the circumstances.

(d) More than one industry of allied nature being run on a common roof—separate accounts for each industry not available.

The C. P. & Berar representatives stated that many of the factories in the various cases of factories which maintained accounts in the vernacular language were falling short of the requirements of the Industrial Statistics Act, 1942.

(d) More than one industry of allied nature being run under the same roof—separate accounts for each industry not available—(C.P. & Berar)

The C.P. & Berar representative stated that the cases referred to were cases of factories which manufactured products relating to different industries but did not maintain separate accounts in respect of their activities falling under each industry. The chairman explained that in accordance with the procedure outlined in paragraph A J I (1) any such factory should be classified only under one industry on the basis of its principal products and should be required to furnish a return in the form appropriate to the industry under which it is classified. It was therefore, not necessary for such factories to maintain separate accounts in respect of their activities falling under different industries.

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(e) *Error involved in cases where factories which close their accounts on a date other than 31st December make entries in the returns according to the book value of their stocks and not by taking stock afresh—(Bengal)*

The Bengal representative stated that factories in such cases would not take stock afresh on the 31st December but would invariably supply figures on the basis of the book value of stocks as on that date. The book value of the stocks would not show the value of the actual stocks in hand but only the value of the stocks not issued to the various Departments of the factory. The book value would thus not cover stocks already issued and lying in the consuming Departments. He accordingly suggested that power should be given to the Statistics Authority to enable him to call for supplementary returns from such factories showing figures as on the date on which the factories actually close their accounts. Certain other representatives were of the opinion that the margin of error would be negligible. After discussion, it was agreed that it would not be desirable to ask factories to furnish further returns. So far as the bigger factories were concerned, they maintain proper accounts and, therefore the figures were not likely to involve substantial errors. In the case of smaller factories, in any case reliance would have to be placed on the best possible estimates they could furnish. Since these smaller factories would not be important from the point of view of the total industrial activity, the error on this account involved in collated information prepared on the basis of returns, would be small.

(f) *In Part (F) of form No CMI (29) relating to "General Engineering and Electrical Engineering (excluding generation and transformation of electrical energy)" an item 'other products' should be added to bring it in line with other forms—(Bengal)*

It was explained that the engineering industry made strong representations to the effect that the products of general engineering and electrical engineering firms under Indian conditions are so varied that it is impossible to enumerate all the principal products. Table I of Form No CMI (29), which covers the entire production of the factory, is therefore, confined only to value of the products. In Table II were specified only some of the items which were considered important from the point of view of industrial conditions in India, and the factories were required to state both the quantity and the value of these specified articles. As the heading of Table II indicates, it was not intended to cover all products.

The Bengal representative stated that it would be desirable to include under Table II certain other items which were at present not included in that table and which were important from either the point of view of the consumer or for industrial purposes, e.g., hurricane lanterns, castings, etc. There was general agreement with this view. The Chairman suggested that the Bengal representative should forward a note to the Industries and Supplies Department suggesting the items which he would like to be included in Table II of Part (F) of Form No CMI (29) together with other particulars relating to each item required in the table and the reasons for the inclusion of each article. Similar notes might be forwarded by other Provinces also. On receipt of these suggestions, further action in this connection would be taken.

(g) Many occupiers and their employees are not English knowing persons and they may not understand the technical entries in the returns—(CP & Berar)

It was explained that under "Explanation" to Direction 3(1) of Directions No. CMTR-I dated the 10th November 1945 issued to Provincial Governments, it was anticipated that difficulty of this kind would arise and it was provided that officials of the Statistics Authority should render all reasonable assistance to the occupiers in filling up the returns. The point now raised by CP & Berar emphasised the necessity of these personal contacts. The Statistics Authorities should, therefore, in cases of this kind arrange that their officials orally explain the form to the occupiers and maintain close contact with them for the purpose of solving their difficulty and rendering assistance in filling up the form. In this connection, the remarks under paragraph A I 1(b) and A I 3(c) may also be seen. The conference agreed with these views.

(h) Should the term "manufacturing process" in item 5(1) of "General Instructions" for filling up the forms be interpreted to mean a process connected directly with the process of production of the articles manufactured by the factory, or should it also include work connected with repairing of boilers, engines and other machinery, etc.—(Orissa).

It was explained that the definition of a factory in the Industrial Statistics Act, 1942, and the Census of Manufacturing Industries Rules, 1945, was the same as in the Factories Act, 1934. Therefore, it would be desirable that the term "manufacturing process" in the context raised by Orissa should also be interpreted in the same sense as in clause (g) of Section 2 of the Factories Act 1934. It was suggested that in order to place the legal position beyond any doubt it might be advisable to define the term "manufacturing process" under the Census of Manufacturing Industries Rules. It was agreed that the point should be examined and it necessary, suitable amendment made in the Census of Manufacturing Industries Rules.

4 Assistance to factories in filling up returns accurately and completely

The Chairman explained that in order to ensure that the occupier of each factory (a) fully grasps the implication of all the particulars required in the return and (b) takes steps to maintain information in a form which would enable him to fill up the return, it is necessary that close personal contact between the officer of the Statistics Authority and the occupier should be maintained. This point had also arisen in connection with discussions on some of the earlier items. Two important considerations should be kept in mind in this connection were (1) that the visiting official should be suitably qualified for this purpose, and (2) that he should deal with the occupiers tactfully and should not make them feel that he is too officious. The occupier should be made to feel that the visits are in his own interest.

The Chairman asked the representatives to express their opinion as to whether any specific measures could be taken in this connection. The

U.P. representative explained the organisation which had been set up in the United Provinces and which was administering the Census of Manufacturing Industries Rules as well as handling other work connected with the Department of Economics and Statistics of the United Provinces Government. The conference was generally interested in this organisation and it was suggested that Professor Rudra should forward to the Department of Industries and Supplies a note describing the details and working of the organization in the United Provinces which handles the work under the Census of Manufacturing Industries Rules. Professor Rudra agreed to do so. The note on being received, would be circulated to the other Provincial Governments.

II Returns relating to 1944 and 1945 (corresponding years for sugar industry) asked for on a voluntary basis

It was explained that since for the purpose of making a comparison of the position of industries in the last few years of the war with the post-war period it was essential to obtain returns for 1944 and 1945 all action which is taken or which may be taken in connection with 1946 returns should also be taken *mutatis mutandis* in connection with the returns for 1944 and 1945 and that every effort should be made to secure accurate and complete returns for these years from all factories which were engaged in any of the 29 industries. The following specific points, which applied only to the voluntary returns, were then considered :—

1. *Extension of the last date for the submission of these returns—(Punjab).*

It was agreed that the last date for the submission of these returns by occupiers of factories should be extended to the end of May 1946 and that the Statistics Authorities should inform the factories accordingly. The Statistics Authorities should forward one copy of each return to the Director of Industrial Statistics Department of Industries and Supplies, by the end of June 1946.

The Bengal representative stated that certain commercial organizations had passed resolutions to the effect that their members need not furnish the voluntary returns relating to 1944 and 1945. He mentioned the case of the Indian Chemical Manufacturers' Association in particular. The Bombay representative stated that the Bombay Millowners' Association had also circularised its members that they need not furnish these voluntary returns. In all such cases, it was suggested that the associations concerned should be induced to co-operate by personal explanation of the reasons for which the returns for 1944 and 1945 were required. The Statistics Authorities should make every effort to secure voluntary returns from each factory concerned. In cases in which the efforts of the Statistics Authority are not successful, the Provinces should forward to the Department of Industries and Supplies copies of resolutions passed in this connection by any organization and statements of action taken to secure the co-operation of the organisation. The Government of India would then also take necessary action to persuade the organizations concerned to co-operate in this matter.

2 *Factories in existence during 1944 and 1945 (corresponding years for the sugar industry) which may have either closed down at the end of 1945 or may have shifted to any other industry—*

It was explained that the letters asking for voluntary returns for 1944 and 1945 were issued by the Statistics Authorities to the same factories to which notices asking for returns for 1946 were issued under the Census of Manufacturing Industries Rules, 1945. These factories were the factories engaged in an industry listed in Schedule I at the end of 1945. It was possible that certain factories which were engaged in any of the scheduled industries in 1944 and in 1945 might not have been so engaged at the end of 1945 and, therefore, to this extent the information collected in respect of these two years would be incomplete. It was, therefore, necessary to consider whether letters asking for voluntary returns should be issued to factories which were engaged in any of the scheduled industries in 1944 and in part of 1945, but had ceased to be engaged in that industry at the end of 1945.

In the discussion which followed, it was stated that the list of factories as furnished by the Factories Inspectorate and attributed to the end of 1945 was generally speaking, at least six months old and, therefore, to that extent the chances of errors on account of the above-mentioned reasons declined. The shifting of factories from one industry to another was also not a matter of frequent occurrence. It was therefore considered that the error, if any, arising from the omissions of the kind referred to here, were not likely to be of such a nature as to affect the general results of the census. It was, therefore, left to each Statistics Authority to consider this point in the light of circumstances existing in his Province. If, in his opinion, it was necessary to ask for voluntary returns from certain factories which might have been omitted on account of the reasons stated above, he should do so; otherwise no action was necessary.

In this connection it was suggested that the question should be examined whether it would be feasible to take some action under the Factories Act making it obligatory on each factory to intimate to the Factories Inspectorate any changes in the manufacturing processes carried on in the factory, and changes in any of the other particulars in which the Statistics Authority is interested. If this was done, it would help the Statistics Authority to maintain his list of factories up-to-date.

3 *In concerns where the accounting year is closed on dates other than 31st December all figures in all Parts of the form may be allowed to be given as on the date on which the accounts were closed. This concession particularly to apply in cases of returns for previous years—(Orissa)*

It was explained that this point had been very carefully considered before the forms were drafted. There was a very strong demand from the industry that particulars in the returns might be allowed to be furnished as on the date on which the accounts were closed by a factory. However, this concession could not be allowed (except in Part (B) of the forms), because if this was done collated information prepared from the returns would not relate to any definite period of time. In view of this explanation and in view of the fact that the ultimate object of asking

for these returns was to prepare collated information indicating the position of the industry from year to year, it was agreed that the present arrangement should stand

{Item D of the agenda relating to the position in the Indian States was then taken up out of its turn, but for convenience of reference, the proceedings relating to this item are recorded at the place where they would fall in accordance with the arrangement of the items in the agenda.}

The conference then adjourned until 11 a.m. on the 12th March 1946

5 The conference reassembled on Tuesday, the 12th March 1946, at 11 a.m. The following representatives present on the 11th March 1946 did not attend on the 12th March 1946 —

(1) Mr P. K. Shunglu (Chamber of Princes).

(2) Mr C. V. Bhatt (Baroda)

(3) Rai Sahib Kishon Puri (Jodhpur)

The Chairman continuing the proceedings on the 12th March 1946 took up the next item of the agenda —

III *Organization and staff in the Provinces for dealing with the Census of Manufacturing Industries Rules, 1945 — (Bombay)*

It was explained that the two essential requirements for a successful census of manufacturing industries were that the right form was served on and a complete and accurately filled up return was secured from each factory. These requirements could be fulfilled only by the Provincial authorities. It was, therefore, of the utmost importance that the organization and staff in the Provinces was adequate for these functions. In this connection it was further observed that only the Provinces of Bengal, U.P., Bihar and C.P. & Berar had included in their post-war development plans definite schemes for setting up special organizations for collecting statistics. The organization and staff at present existing in different Provinces varied considerably even after allowance had been made for the difference in the number of factories. The Conference agreed with the importance of suitable organization and adequate staff in the Provinces for the success of the census and thought it necessary to appoint a Sub-Committee to go into this question in detail. It was decided that the report of the Sub-Committee should be taken as the report of the Conference without being submitted to the Conference. The Sub-Committee consisted of the following members —

1 Mr B. N. Kaul (I & S Department).

2 Sri Rao Sahib C. G. Reddi (Madras).

3 Dr S. M. Dhome (Bombay)

4 Mr N. Chakravarti (Bengal)

5 Prof S. K. Rudra (U.P.)

6 Mr D. M. Sapra (N.W.F.P.).

7 Sri S. Padhi (Orissa)

8 Dr R. K. Bhan (Kashmir).

9 Mr A. C. Mukherji (Baroda)

The report of the Sub-Committee is attached to these proceedings

B Extension of the Census of Manufacturing Industries Rules, 1945, to cover all industries for the census of 1947

The Chairman stated that from the statements given in the notes on the agenda it would be seen that at present about 40 per cent of the total number of factories and 61 per cent of the total number of workers were covered by the census of manufacturing industries. If three major industries—cotton, jute and woollen textile industries—were left out of account, the remaining 26 industries to which the Census of Manufacturing Industries Rules apply at present, employ on an average 149 workers per factory, while the average number of workers per factory in the industry not covered at present by the Census of Manufacturing Industries Rules was 141, that is, the average size of the factory at present covered by the census is about the same as the average size of the factory not at present covered. In other words, the industries not at present covered, taken unit by unit, are not expected to give rise to any more difficulty from the point of view of the census than the 26 industries already covered. Therefore, although the volume of work would increase by about 150 to 200 per cent, if the census is extended to cover all factories, the complexity of the problem would not be accentuated. It was however clear that unless the organization and staff in the Provinces for handling the additional work involved was adequate, it would be extremely risky to extend the scope of the census to all industries. The Chairman then invited the views of the conference on this question.

After discussion, the conference came to the following conclusions —

(a) It was very desirable that the scope of the census should be extended to cover all industries as early as possible. If the extension could take place for the census of 1947, this should be specially welcome.

(b) It would, however, be risky to proceed with this proposal unless the Provinces were in a position to expand their organization to the extent necessary for the additional work involved and unless they were confident that they could man the organization with adequate personnel properly trained for the work.

The representatives present at the conference were not in a position to commit the Provinces on the second of the two points mentioned above.

C Other miscellaneous points

1 System of code numbers to be adopted by the Provinces — (Bengal)

It was explained that any system of code numbers or marks should provide three parts—the first part indicating the Province, the second indicating the industry and the third indicating the name of the factory. After some general discussion the Conference expressed the desire that the Industries & Supplies Department should prescribe a uniform code system for all the Provinces. The Bihar representative agreed to forward to the Director of Industrial Statistics Industries & Supplies Department a note explaining the system of code numbers adopted in Bihar. After the receipt of this note from Bihar the Industries & Supplies Department would prescribe the system of code to be followed by the Provinces.

2 Inclusion of all workers employed through contractors in Part (C) of the forms prescribed under the Census of Manufacturing Industries Rules

It was explained that in the original draft of the Rules it was made incumbent that particulars relating to all workers whether employed directly by the occupiers of factories or employed through contractors should be furnished in the returns. It was, however, represented both by the industry and by certain Provincial Governments that occupiers were not likely to have complete information relating to workers employed through contractors. In view of this, the question relating to workers employed through contractors in Part (C) of the form was now required to be given only to the extent to which it was available with the occupiers. The Bengal representative stated that it would have been better if it was made obligatory in the form of return to furnish particulars relating to all contract labour, because this measure would have compelled factories to maintain particulars relating to such labour. After discussion it was agreed that for the present Part (C) of the forms of return should be allowed to stand as it is. The question of inclusion of contract labour should be further examined and if it was found feasible to take adequate measures for the maintenance by the occupiers of factories of full information relating to contract labour, Part (C) of the forms of return should be suitably amended. In this connection it was also necessary to consider the labour falling under the term "workers" employed by contractors outside the factory premises. It would be an advantage if this labour could also be brought within the purview of the forms of return.

3 Powers for the Statistics Authorities to call for supplementary statements —(Bengal)

The Bengal representative explained that their proposal was that a rule should be included in the Census of Manufacturing Industries Rules authorising the Statistics Authority to call from the factories any supplementary information in connection with the returns, which he may consider necessary and making it incumbent on the occupiers of factories to furnish such additional information when asked for. The Chairman stated that while, by personal contact and persuasion, such information could generally be obtained by the Statistics Authorities, it would not be desirable to ask for further returns to be furnished. There was already some opposition from the industry to the Census of Manufacturing Industries Rules and any further rule asking for additional returns was likely to strengthen this opposition and thus hinder the success of the census. After discussion the Conference agreed with this view.

4 Making available the data for any industry from one Province to another Province and carrying out by the Central Government of any analysis required by the Provinces —(Bengal)

It was explained that under section 7 of the Industrial Statistics Act, particulars in any individual returns relating to any Province could not be communicated to any person who was not engaged in the collection of statistics under the Act in that Province. Therefore, information contained in individual returns relating to one province cannot be passed on to the Statistics Authority of another Province. The Government of

India had, however, in mind the preparation of a report on the census, if the census proved successful. This report would contain all such information as the Government of India would consider suitable for publication without infringing the requirements of section 7 of the Act and would be available to all Provinces.

So far as the analysis of information relating to a single Province was concerned, the Provinces had under Direction 5(1) full powers to take such action as they liked, subject to certain requirements under Direction 5.

The Bengal representative suggested that the requirement of previous agreement of the Central Government before publication of collected information by a Province, as laid down in the Direction 5(1) of Directions No C.M.I.K.-1, dated the 10th November 1945, should be altered to provide that previous consultation with the Central Government would suffice. After discussion it was agreed that this alteration would not make any material difference and that it was necessary in the interests of uniformity of published material as between one province and another province, that the present position should continue.

5 Discussion of "end tables" and method of calculation of physical volume of production, value of production and out-put per man-day—(Bengal)

This item was not considered of importance at the moment, because the census had not yet advanced to a stage at which these problems would arise. The matter was, therefore, not discussed.

6 Printing for sale of the Industrial Statistics Act, 1942, and the Census of Manufacturing Industries Rules, 1945—(Orissa)

It was explained that as the Rules had been framed by the Provincial Governments, it would be appropriate for each Provincial Government to get this volume printed for sale to occupiers within the Province.

Certain representatives suggested that it would be very useful if a manual containing the Industrial Statistics Act, the Directions issued thereunder and the Census of Manufacturing Industries Rules with forms were issued as a manual by the Central Government and made available for sale to the public. The references to notifications issued by each Provincial Government or State could be given as footnotes in the manual. If the publication of the manual by the Central Government was found impracticable for certain reasons, copies of the Act might be made available to the public. It was agreed that this question should be further considered.

7 Direct correspondence between the Director of Industrial Statistics, Department of Industries and Supplies, Government of India, and the Statistics Authority in each Province

It was agreed that in order to save time, on matters in which the Provincial Governments or the Government of India were not concerned, i.e. in technical and routine matters relating to the census, direct correspondence between the Director of Industrial Statistics at New Delhi and the Provincial Statistics Authorities should take place. It was also agreed that

copies of any important correspondence which may pass between the Statistics Authority and the occupiers of factories in connection with classification of factories, difficulties in filling up the returns, or any other matter should be endorsed to the Director of Industrial Statistics.

8 *Permanent liaison should be established between the Centre and the Province and conferences should take place at regular intervals, say, once in every quarter (Bengal)*

The Bengal representative stated that it was necessary that conferences of this kind should take place at fixed interval for the exchange of ideas between the Statistics Authorities of different Provinces and the Central Government. The advantage of conferences of this kind was recognised, but after discussion it was agreed that it was not necessary to lay down any fixed interval. Conferences should be called as and when necessary.

9 *Necessity for close liaison between the Statistics Authority and the Factories Inspectorate in each Province (Bombay)*

It was recognised that close liaison should be maintained between the Statistics Authority and the Factories Inspectorate in each Province. The Industrial Statistics Act in so far as the definition of factory in this Act is the same as in the Factories Act, 1934, was in a sense based on the latter Act. Therefore information relating to factories, industries in which they were engaged, the names and addresses of their occupiers available under the Factories Act was of the greatest value for the purpose of administering the Census of Manufacturing Industries Rules. It was, however, explained that action in this connection was entirely within the powers of the Provinces, because the Factories Inspectorate like the Statistics Authority is directly under the administrative control of the Provinces.

D *Position in the States*

(This item was actually discussed on the afternoon of the 11th March 1946)

The Chairman explained how far action in the States in connection with the census of manufacturing industries had been taken and then invited the representatives of the States to raise any special points in which they were particularly interested. The representative of Kashmir State stated that a Bill on the lines of the British Indian Industrial Statistics Act had been drafted and would shortly be introduced in the State Legislature. The Factories Act and the Workmen's Compensation Act had already been passed by the State Legislature, but had not yet been brought into force. The representatives of certain other States also described the action so far taken in their States.

The representative of the Chamber of Princes requested that a complete set of the papers relating to the Census of Manufacturing Industries may be forwarded to him so that he could take up the matter further.

The representatives of certain other States suggested that it would be desirable if the Central Government supplied to the States as in the case of the Provinces, the requisite number of the copies of the forms

prescribed under the Census of Manufacturing Industries Rules. As the number of factories in each state is likely to be small, it would be extremely difficult for each State to have the form separately printed especially as the forms are rather elaborate. It was stated on behalf of the Industries and Supplies Department that the Government of India would have no objection in supplying the forms to States, provided the number of factories under each industry and the number of copies of forms required by each State was communicated to the Director of Industrial Statistics well in advance and provided it was clearly understood that the form supplied would be the form as printed under the Census of Manufacturing Industries Rules, 1945, as in force in British India and, therefore, could not be used in the States without certain alterations. The making of these alterations would be the responsibility of the Statistics Authorities of the States and not of the Department of the Industries and Supplies.

The State representatives also requested that the Department of Industries and Supplies may also prescribe the system of code to be used in the States on the same lines as for the Provinces. It was stated on behalf of the Department of Industries and Supplies that that Department would be willing to do so on receipt of a specific request in this connection from the authorities of any State.

E Any other point which any representative at the conference may wish to raise

No other point connected with the Census of Manufacturing Industries Rules was raised.

Report of the Sub-Committee appointed by the Conference of representatives of Provincial and State Governments held on the 11th and 12th March 1946 for detailed consideration of item A III of the agenda of the Conference—"Organization and staff in the Provinces for dealing with the Census of Manufacturing Industries Rules, 1945"

The Sub-Committee consisting of the following members met on the 12th March 1946 at 2-30 p.m. in the Committee Room of Jaisalmer House, Mansingh Road, New Delhi, and submitted the same afternoon the report reproduced below. All members of the Sub-Committee signed the report.

Mr B N Kaul, Director of Industrial Statistics, Department of Industries and Supplies, Government of India (*Chairman*)

Sri Rao Sahib C G Reddi (Madras).

Dr S M Dhume (Bombay)

Mr N Chakravarti (Bengal)

Professor S K Rudra (U.P.).

Mr D. M. Sapra (N W F P)

Sri S Padhi (Orissa)

Dr R K Bhan (Kashmir)

Mr A C Mukherji (Baroda).

Report of the Sub-Committee.

For successfully administering the Census of Manufacturing Industries Rules, 1945, it is necessary for each Statistics Authority to undertake the following specific items of work —

(1) Preparation and maintenance of a correct and up-to-date list of factories, classified according to industries mentioned in Schedule I to the Census of Manufacturing Industries Rules, and showing the name and address of the occupier of each factory

(2) Service of notice in accordance with the provisions of the Rules and in cases where the registered letter containing the notice is refused or the notice is received back for any other reasons, establishment of personal contact with the occupiers concerned and tendering of the notice by hand.

(3) Explanation of the form and the Rules to the occupiers.

(4) Rendering of assistance to occupiers in the matter of maintenance of accounts, registers and other necessary documents and ensuring that suggestions made in this connection are carried out

(5) Rendering of assistance to occupiers in actually filling up the form of return immediately prior to submission, and ensuring that the return is furnished by the due date

(6) Sample checking of the returns in order to be able to certify their accuracy

(7) Allotment of code number to each return and despatch of returns to the Central Government in accordance with the provisions of Direction No C M I R-I, dated the 10th November 1945

2 To enable the Statistics Authorities to discharge these responsibilities satisfactorily, we consider it necessary that, apart from directional and supervisory staff, they should be provided with adequate number of

(a) Field Staff,

(b) Office Staff

3 The strength of the field staff necessary in any Province should, we think, be arrived at on the basis of an average of two visits per factory during a year. On this scale of visits to the factories, we estimate that the services of one official of suitable status will be required per hundred factories in the more industrially developed Provinces where the location of factories is geographically more concentrated. In the less industrially developed Provinces, where the factories are scattered, more field staff will be required for the same number of factories

4. The office staff should include both technical staff and clerical staff. We do not wish to make any specific recommendation as to the strength of the office staff under any of these two heads, in view of the fact that conditions from Province to Province vary considerably. We, however, feel that both the clerical and technical staff should be adequate in number and should be sufficiently qualified. The question of the necessary strength of this type of staff should be examined by each Statistics Authority in the light of his requirements based on local conditions.

5 The most important member of the supervisory and directional staff is the Statistics Authority himself. We feel that in view of the importance and confidential nature of the work and in view of the fact that personal contacts with industrialists will be essential for the success of the census, the Statistics Authority should be an officer of sufficiently high status and should be in a position to exercise active control on the administration of the Census of Manufacturing Industries Rules, 1945. The Statistics Authority should be assisted by a sufficient number of technically qualified officer staff for directional and supervisory work. The strength of this type of staff necessary in any Province should also be examined by each Statistics Authority in the light of his requirements based on local conditions.

6 Because of the permanent nature of the work which is being undertaken under an Act and as it is necessary to secure the services of the best men available, it is desirable that posts created for this work should be sanctioned on a permanent basis. We feel that if this provision is not made, stability of personnel from year to year in the office of the Statistics Authority cannot be maintained and that as a result the quality of the work turned out will suffer. This provision is also desirable in the interests of secrecy of the returns, which is incumbent under the provisions of the Industrial Statistics Act, 1942.

7. We consider that whatever staff is agreed to on the recommendation of the Statistics Authority and in the light of the above recommendations, should be in position at the latest by the 1st July 1946. Unless this is done, we feel that work in connection with the census of 1946 and in connection with the voluntary returns for 1944 and 1945 will suffer.